

## Message Text

LIMITED OFFICIAL USE

PAGE 01 NAIROB 07888 231322Z  
ACTION EB-07

INFO OCT-01 AF-10 ISO-00 L-03 SS-15 SP-02 INR-07 /045 W  
-----057829 231331Z /42

R 231045Z JUN 77  
FM AMEMBASSY NAIROBI  
TO SECSTATE WASHDC 9204  
INFO AMEMBASSY DAR ES SALAAM

LIMITED OFFICIAL USE NAIROBI 7888

STADIS//////////

E. O. 11652: N/A  
TAGS: EAIR, KE, TZ  
SUBJ: MCDONNELL-DOUGLAS MEDIATION OF DC-9 AIRCRAFT DISPOSAL

REF: (A) STATE 119797, (B) NAIROBI 6660

1. SUMMARY: TO DISPEL CONFUSION OVER ROLE OF MCDONNELL-DOUGLAS SALES REPRESENTATIVE IN FACILITATING DISPOSAL OF DC-9 AIRCRAFT IN EAST AFRICA, EMB REQUESTS EXPLICIT INSTRUCTIONS FROM EXIMBANK AND/OR DEPT.

2. KENNETH GILL MET WITH ECONOFF JUNE 22 TO DISCUSS HIS QUOTE APPOINTMENT UNQUOTE BY EXIMBANK. ACCORDING TO GILL HE FIRST LEARNED OF THIS MISSION IN TELEPHONE CALL FROM SUPERIORS IN FINANCE DEPT. OF MCDONNELL-DOUGLAS, LONG BEACH, CALIF PREVIOUS EVENING. COMPANY OFFICIALS ASSUMED GILL ALREADY RECEIVED BRIEFING FROM EXIMBANK, WHICH HE HAD NOT. FROM WHAT GILL COULD DETERMINE DURING TELEPHONE CONVERSATION, EXIMBANK WAS ANXIOUS TO ASSIST TANZANIAN GOVERNMENT IN ITS REQUEST FOR MEDIATOR WITH KENYA BUT DID NOT, AS USG INSTITUTION, WANT TO BECOME DIRECTLY INVOLVED. CASTING ABOUT FOR SUITABLE AGENT, BANK APPROACHED MCDONNELL-DOUGLAS MANAGEMENT, WHICH IMMEDIATELY OFFERED GILL'S SERVICES.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NAIROB 07888 231322Z

3. BESIDES NEGLECTING TO SOLICIT HIS COOPERATION DIRECTLY OR EVEN INFORM HIM OF APPOINTMENT, EXIMBANK HAS FAILED TO PROVIDE GILL SPECIFIC INSTRUCTIONS REGARDING WHAT HE SHOULD ACCOMPLISH DURING HIS QUOTE MEDIATION UNQUOTE. GILL UNDERSTOOD IN MCDONNELL-DOUGLAS PHONE CALL THAT TANZANIA WANTS TO SWAP ITS KENYA-REGISTERED PLANE LOCATED IN KENYA.

ALTHOUGH HE ASSUMES SUCH A TRANSFER WILL FACILITATE TANZANIA'S SALE OF ONE DC-9, GILL NOT SURE HOW HIS FIRM AND EXIMBANK WILL BENEFIT FROM DEAL UNLESS TANGOV USES FUNDS TO PURCHASE OTHER DOUGLAS EQUIPMENT.

4. AFTER LENGTHY TALK WITH ECONOFF, DURING WHICH HE CONFESSED HIS CONFUSION OVER WHOM TO CONTACT IN KENYAN GOVERNMENT AND WHAT HE HOPES TO ACHIEVE, GILL BECAME INCREASINGLY RELUCTANT TO UNDERTAKE EXIMBANK'S ASSIGNMENT. HE IS PARTICULARLY CONCERNED ABOUT POSSIBILITY THAT GOK AUTHORITIES AS WELL AS KENYA AIRWAYS STAFF MAY MISINTERPRET MCDONNELL-DOUGLAS INTERVENTION. IN OPINION GILL AND ECONOFF, HE WOULD BE ACTING ESSENTIALLY AS AGENT OF TANGOV, WHICH INITIATED REQUEST FOR EXIMBANK'S GOOD OFFICES. CASE IS FURTHER COMPLICATED BY FACT (KNOWN TO LIQUIDATOR AND PRESUMABLY KENYA AIRWAYS) THAT MCDONNELL-DOUGLAS PREPARED TO BID ON TWO DC-9'S IN KENYA. FIRM IS, THEREFORE A LESS THAN DISINTERESTED PARTY IN DECISION OVER DISPOSITION OF AIRCRAFT.

5. GILL PLANS TO DISCUSS HIS PERSONAL RESERVATIONS WITH MCDONNELL-DOUGLAS OFFICIALS BEFORE TRAVELLING TO TANZANIA WEEK OF JUNE 27. DAR ES SALAAM VISIT WILL, IN ANY CASE, INCLUDE INSPECTION OF DC-9 GROUNDED THERE TO ASCERTAIN WHAT MAINTENANCE REQUIRED TO PUT PLANE IN OPERABLE CONDITION. GILL INFORMED THRU TANZANIAN GOVERNMENT THAT AIR TANZANIA LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NAIROB 07888 231322Z

WOULD LIKE TO PUT AIRCRAFT IN SERVICE AND NEEDS ONGOING MCDONNELL-DOUGLAS ENGINEERING ASSISTANCE.

6. COMMENT: AS DEPT AWARE FROM REFTELS, WE WERE OPPOSED TO GILL'S INVOLVEMENT IN DISPOSAL OF DC-9'S WHEN FIRST SUGGESTED BY EXIMBANK. GILL MIGHT, WE FELT, PERFORM LIMITED SERVICE IN HELPING TO CLARIFY LEGAL PROBLEMS SURROUNDING REGISTRATION OF AIRCRAFT, I.E. HOW THEY COULD BE DE-REGISTERED IN EAST AFRICA AND RE-REGISTERED ELSEWHERE WITH UNENCUMBERED TITLES. EVENTUAL SALE OF PLANES TO U.S. BUYERS WILL DEPEND ON SUCCESSFUL RESOLUTION OF THESE QUESTIONS. FROM GIST OF GILL'S CONVERSATION, HOWEVER, WE ARE CONVINCED THAT BOTH EXIMBANK AND MCDONNELL-DOUGLAS HAVE LAUNCHED AN UNGUIDED MISSILE. SINCE GILL BY NOW IS JUST AS ANXIOUS ABOUT THIS APPARENT LACK OF COORDINATION, WE DOUBT THAT HE WILL MAKE ANY APPROACHES TO KENYAN BODIES REGARDING PHYSICAL TRANSFER OF PLANES. OUR PREFERENCE WOULD BE TO WITHDRAW GILL'S EXIMBANK APPOINTMENT; HOWEVER, HE IS TO CONTINUE TO ACT ON BEHALF OF BANK BOTH GILL AND EMB WOULD APPRECIATE EXPLICIT GUIDANCE ON OBJECTIVES OF ASSIGNMENT.

DECONTROL 6/23/78

LE MELLE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRCRAFT, DISPUTE SETTLEMENT, BUSINESSMEN  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 23-Jun-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977NAIROB07888  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770224-0859  
**Format:** TEL  
**From:** NAIROBI  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770627/aaaaaxfd.tel  
**Line Count:** 118  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** c909cf77-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** STADIS  
**Reference:** 77 STATE 119797, 77 NAIROBI 6660  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 04-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2057657  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MCDONNELL-DOUGLAS MEDIATION OF DC-9 AIRCRAFT DISPOSAL  
**TAGS:** EAIR, KE, TZ, MCDONNELL-DOUGLAS  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/c909cf77-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009